

Today, Rep. Braley introduced the Medicare Payment Improvement Act, which would provide incentives to reward those who provide quality health care.

Washington, DC -U.S. Reps. Ron Kind (D-WI) and Bruce Braley (D-IA), along with Reps. Earl Blumenauer (D-OR), Tim Walz (D-MN) and Jay Inslee (D-WA), today introduced the Medicare Payment Improvement Act of 2009, a bill that will move the current Medicare system towards one that is quality-based and addresses its long-term sustainability by encouraging more cost-effective treatments.

"A major goal of healthcare reform is to reduce costs and ensure quality, affordable care for every American," Rep. Bruce Braley (D-Iowa) said. "Our healthcare system should reward the best care. A quality-based approach for Medicare will reduce costs to taxpayers and increase the quality of care for everyone, all while rewarding doctors in states like Iowa for providing the most efficient and effective healthcare."

"Right now when we spend more money on Medicare we don't necessarily get better care or improved health," said Rep. Kind. "A system focused on quality over quantity, rewarding what works and avoiding what doesn't, means responsible spending by our Medicare system and a higher standard of care for Medicare patients."

The current Medicare reimbursement system is based on the number of procedures completed and the amount of patients seen, resulting in unnecessary or repeated medical services, medical errors, and millions of dollars in waste. The Institute of Medicine recently estimated that one-third of all medical care is pure waste, such as duplicate X-rays, replicate lab tests and procedures to fix mistakes.

Doctors in the Midwest are some of the most cost-effective Medicare providers in the country. For example, in 2006, Medicare spent \$6,671 on the average beneficiary in Waterloo, Iowa, compared with \$16,351 in Miami, Florida.

The Medicare Payment Improvement Act seeks to reform the Medicare system to one that rewards the value of care over quantity of procedures, improving quality and lowering the total

cost of care over time. The bill's outcome-based approach creates the incentive for physicians and hospitals to work together to improve quality and use resources efficiently. According to a study by the McKinsey Institute, fee-for-service reimbursement, the predominant method in outpatient treatment, actually gives providers strong financial incentives to provide more, and more costly, care, not more value. Under the Act, medical professionals who produce more volume will need to take steps to also improve care, or the increased volume will negatively impact reimbursements they receive from Medicare.